
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM S-8
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933**

COMMONWEALTH BIOTECHNOLOGIES, INC.

(Exact name of issuer as specified in its charter)

Virginia
(State or other jurisdiction of incorporation or organization)

56-1641133
(I.R.S. Employer Identification No.)

**601 Biotech Drive
Richmond, Virginia 23235**
(Address of Principal Executive Offices)
(ZIP Code)

COMMONWEALTH BIOTECHNOLOGIES, INC. 2002 STOCK INCENTIVE PLAN
(Full title of the plan)

With copies to:

Robert B. Harris,
President and Chief Executive Officer
Commonwealth Biotechnologies, Inc.
601 Biotech Drive
Richmond, Virginia 23235
(Name and address of agent for service)
(804) 648-3820
(Telephone number, including area code, of agent for service)

Bradley A. Haneberg, Esq.
Kaufman & Canoles, P.C.
Three James Center
Suite 1206
1200 East Cary Street
Richmond, Virginia 23219
(804) 771-5790

Title of Each Class of Securities to be Registered	Amount to be Registered	Prepared Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, without par value per share	300,000 Shares	\$0.685	\$205,500(1)	\$19.00

(1) Estimated solely for purposes of determining the amount of registration fee, in accordance with Rules 457(h)(1) and (c) under the Securities Act of 1933, as amended, and based upon the average high and low reported sales prices of the common stock on the Nasdaq Stock Market's SmallCap Market on January 6, 2003.

[Table of Contents](#)

EXPLANATORY NOTE

Commonwealth Biotechnologies, Inc. ("CBI") has prepared this registration statement in accordance with the requirements of Form S-8 under the Securities Act of 1933, as amended (the "Securities Act"), to register resales of certain shares of the CBI's common stock, without par value per share, issued upon the exercise of options granted to certain affiliates of CBI pursuant to CBI's 2002 Stock Incentive Plan.

This registration statement contains two parts. The first part contains a reoffer prospectus prepared in accordance with the requirements of Part I of Form S-3 under the Securities Act. The second part contains information required in the registration statement under Part II of Form S-8.

PART I—INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

Item 1—Plan Information

The document(s) containing the information specified in Part I of Form S-8 will be sent or given to participants in the Commonwealth Biotechnologies, Inc. 2002 Stock Incentive Plan as specified by Rule 428(b)(1) of the Securities Act. These documents and the documents incorporated herein by reference pursuant to Item 3 of Part II of this registration statement, taken together, constitute the Plan Prospectus, meeting the requirements of Section 10(a) of the Securities Act. The Reoffer Prospectus to be used in connection with sales of (a) common stock and (b) common stock underlying options granted to CBI's directors as compensation for their services will be used to meet the requirements of Section 10(a) of the Securities Act with respect to those securities.

Item 2—Registrant Information and Employee Plan Information

Upon written or oral request by a participant in the Plan listed in Item 1, CBI will provide any of the documents incorporated by reference in Part II, Item 3 of this registration statement (which documents are incorporated by reference into the Plan Prospectus, any documents required to be delivered to participants pursuant to Rule 428(b) and other additional information about the Plan. All of such documents and information will be available without charge. Any and all requests should be directed to Thomas R. Reynolds, Secretary, 601 Biotech Drive, Richmond, Virginia 23235 (telephone (804) 648-3820).

[Table of Contents](#)

Reoffer Prospectus

300,000 SHARES

COMMONWEALTH BIOTECHNOLOGIES, INC.

COMMON STOCK

This prospectus relates to the reoffer and resale by certain selling shareholders of shares of our common stock that were issued or may be issued by us to the selling shareholders upon the exercise of stock options granted under the Commonwealth Biotechnologies, Inc. 2002 Stock Incentive plan. The shares are being reoffered and resold for the account of the selling shareholders and we will not receive any of the proceeds from the resale of the shares.

The selling shareholders have advised us that the resale of their shares may be effected from time to time in one or more transactions on the Nasdaq SmallCap Market, in negotiated transactions or otherwise, at market prices prevailing at the time of the sale or at prices otherwise negotiated. See "Plan of Distribution." We will bear all expenses in connection with the preparation of this prospectus.

Our common stock is traded on the Nasdaq SmallCap Market under the symbol "CBTE." On January 2, 2003, the closing price for our common Stock, as reported on the Nasdaq SmallCap Market was \$0.68 per share.

Our principal executive offices are located at 601 Biotech Drive, Richmond, Virginia 23235, and our telephone number there is (804) 648-3820.

This investment involves risk. See "Risk Factors" beginning at page 3.

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE
SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE
SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF
THIS PROSPECTUS. ANY REPRESENTATION TO THE
CONTRARY IS A CRIMINAL OFFENSE.**

The date of this Reoffer Prospectus is January 6, 2003

TABLE OF CONTENTS

	<u>Page</u>
Forward-Looking Statements	2
The Company	3
Risk Factors	3
Use of Proceeds	7
Selling Stockholders	8
Plan of Distribution	9
Experts	10
Legal Matters	11
Where You Can Find More Information	11
Incorporated Documents by Reference	11
Indemnification	12

FORWARD-LOOKING STATEMENTS

CBI's disclosure in this reoffer prospectus contains "forward-looking statements." Forward-looking statements are our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historic or current facts. They use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and other words and terms of similar meaning. These include statements, among others, relating to our planned future actions, our beliefs with respect to the sufficiency of cash and cash equivalents, plans with respect to funding operations, projected expense levels and the outcome of contingencies, such as future financial results.

Any or all of our forward-looking statements in this report may turn out to be wrong. They can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties. Consequently, no forward-looking statement can be guaranteed. Actual results may vary materially. The uncertainties that may cause differences include, but are not limited to, general economic and market conditions, the state of the federal, state and local regulatory environment, lack of demand for CBI's services, the ability of CBI's customers to perform services similar to those offered by CBI "in-house" and potential cost containment by CBI's customers resulting in fewer research and development projects.

CBI will not update forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law. You are advised to consult any further disclosures we make in our reports to the Securities and Exchange Commission including our 10-KSB, 10-QSB and 8-K reports. Our filings list various important factors that could cause actual results to differ materially from expected results. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

THE COMPANY

CBI was founded in 1992 to provide sophisticated research and development support services on a contract basis to the biotechnology industry. Our customers consist of private companies, academic institutions and government agencies, all of which use biological processes to develop products for health care, agricultural and other purposes. We derive revenues principally from providing macromolecular synthetic and analytical services to researchers in the biotechnology industry or to researchers who are engaged in life sciences research in government or academic labs throughout the world.

CBI provides these services to customers on a contract basis and derives revenues from these services, and not only from sales of commercial products resulting from the research. This arrangement distinguishes CBI from many other biotechnology companies in that our revenues are not derived from successful commercialization of a new biotechnology product. We believe that we have developed a strong reputation as a leading provider of biotechnology research and development analytical services. We are focusing our expansion efforts on the maintenance and expansion of long-term relationships with customers in the biotechnology industry and in establishing new customer relationships. CBI has implemented new technologies to provide new services to its customers, and is continuing to develop new products and services to meet the changing needs of its customers.

Our executive offices are located at 601 Biotech Drive, Richmond, Virginia 23235, and our telephone number is (804) 648-3820.

RISK FACTORS

You should be aware that there are various risks to an investment in our common stock, including those described below. You should carefully consider these risk factors, together with all of the other information included in this prospectus, before you decide to invest in shares of our common stock.

If any of the following risks, or other risks not presently known to us or that we currently believe to not be significant, develop into actual events, then our business, financial condition, results of operations or prospects could be materially adversely affected. If that happens, the market price of our common stock could decline, and you may lose all or part of your investment.

This reoffer prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed in this prospectus. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this prospectus, and in any documents incorporated in this prospectus by reference.

We have incurred losses and anticipate future losses. We have incurred significant losses since our inception in 1997, including net losses of \$2,091,194, \$921,916 and \$1,673,031 for the years ended December 31, 1999, 2000 and 2001 and \$232,336 for the nine months ended September 30, 2002. As of September 30, 2002, we had an accumulated deficit of \$8,470,522 and stockholder's equity of \$3,749,383. While we expect to eliminate losses from operations in the upcoming fiscal quarters, we cannot assure you that we will ever operate profitably.

[Table of Contents](#)

We may need to raise additional capital. If we are not able to generate sufficient cash for ongoing operations, we will need to raise additional funds through public or private sale of our equity or debt securities or from other sources to build our core business and to maintain compliance with Nasdaq listing requirements.

We cannot assure you that additional funds will be available if and when we need them, or that if funds are available, they will be on terms favorable to us and our stockholders. If we are unable to obtain sufficient funds or if adequate funds are not available on terms acceptable to us, we may be unable to meet our business objectives. A lack of sufficient funds could also prevent us from taking advantage of important opportunities or being able to respond to competitive conditions. Any of these results could have a material adverse effect on our business, financial condition and results of operations.

Our need to raise additional funds could also directly and adversely affect your investment in our common stock in another way. When a company raises funds by issuing shares of stock, the percentage ownership of the existing stockholders of that company is reduced or diluted. If we raise funds in the future by issuing additional shares of stock, you may experience significant dilution in the value of your shares. Additionally, certain types of equity securities that we have issued in the past and may issue in the future do have and could have rights, preferences or privileges senior to your rights as a holder of our common stock.

We face uncertainties and risks relating to our Nasdaq SmallCap Market listing. Our common stock is currently listed on the Nasdaq SmallCap Market. Nasdaq has certain requirements that a company must meet in order to remain listed on the Nasdaq SmallCap Market. In September 2002, Nasdaq notified us that we are not in compliance with the minimum bid price requirement for continued listing on the Nasdaq SmallCap Market. Consequently, if we cannot regain compliance with the \$1.00 minimum bid price requirement for at least 10 consecutive trading days by March 12, 2003, then Nasdaq can pursue delisting proceedings against us. On January 2, 2003, the closing price of our common stock was \$0.68 per share.

The Nasdaq Over-the-Counter Bulletin Board is a significantly less active market than the Nasdaq SmallCap Market. You could find it more difficult to dispose of your shares of our common stock than if our common stock were listed on the Nasdaq SmallCap Market.

If our common stock were delisted from the Nasdaq SmallCap Market, it could be more difficult for us to obtain other sources of financing in the future. Moreover, if our common stock were delisted from the Nasdaq SmallCap Market, our stock could be subject to what are known as the “penny stock” rules. The “penny stock” rules place additional requirements on broker-dealers who sell or make a market in such securities. Consequently, if we were removed from the Nasdaq SmallCap Market, the ability or willingness of broker-dealers to sell or make a market in our common stock could decline. As a result, your ability to resell your shares of our common stock could be adversely affected.

We might not be able to use net operating loss carryforwards. As of December 31, 2001, we had net operating loss carryforwards for federal income tax purposes of approximately \$8,956,000, which will expire at various dates through 2021. Our ability to use these net operating loss and credit carryforwards to offset future tax obligations, if any, may be limited by changes in ownership. Any limitation on the use of net operating loss carryforwards, to the extent it increases the amount of federal income tax that we must actually pay, may have an adverse impact on our financial condition.

[Table of Contents](#)

We do not presently anticipate paying cash dividends on our common stock. We intend to retain all earnings for the foreseeable future for funding our business operations.

We expect that our quarterly results of operations will continue to fluctuate, and this fluctuation could cause our stock price to decline, causing investor losses. We make money by providing analytical services to the pharmaceutical, biotechnology and related industries. Our revenues continue to change because of changes in the status of contracts with several large customers. In addition, many of our other customer projects are individual orders for specific projects. Getting additional work is highly dependent upon the customer being happy with our services and upon other things beyond our control, such as the timing of product development and commercialization programs of our customers. We cannot predict for more than a few months in advance the number and size of future projects, so the timing of significant projects could have a major influence on financial results in any given period. The combined impact of several large contracts and the unpredictable project fluctuations from other customers can result in very large changes in financial performance from quarter to quarter or year to year. In addition, the biotechnology industry is currently going through a consolidation phase of development. As a result, many large competitors may opt to conduct biotechnology research in-house. If this happens, our future customers will likely be smaller companies without their own research capabilities.

The loss of key personnel or the inability to attract and retain additional personnel could impair our ability to develop our operations. We are highly dependent on our senior management and scientific staff, and the loss of their services would adversely affect our business. In addition, we must hire and keep a number of additional highly qualified and experienced management and scientific personnel, consultants and advisors. It is important that we will be able to hire and keep qualified personnel. There is a lot of competition for qualified individuals, and we face competition from many other pharmaceutical and biotechnology companies, universities and other research institutions. We may not be able to attract and keep such individuals on acceptable terms or at all, and not being able to do so would have a negative affect on us.

We employ only a limited number of marketing and sales personnel. We employ one full-time marketing professional and no sales personnel. We will have to hire our own sales force or use an outside sales force. There is no guarantee that we would be able to do so or that it would be cost effective. By using outside sales persons, we could lose control over important factors, including market identification, marketing methods, pricing, and promotional activities. We would lose control over the make-up of the sales force and the amount of time they spend selling. We may be unable to stop this outside sales force from pursuing other services which compete with our business.

Our industry is extremely competitive. There is intense competition in our industry. Many of our competitors and potential competitors have substantially larger laboratory facilities, marketing capabilities and staff than we do. In order to be able to compete, we will need to provide to our customers new analytical technologies as they become available in our rapidly changing, technology driven business. A large amount of money may be required to obtain these technologies.

Our success is dependent upon retaining customers in a highly competitive market. Our future success will depend, in part, upon our ability to keep key customers. In 2001, approximately 58.8% of our revenues were attributable to private industry customers. The loss of these customers would harm our business.

[Table of Contents](#)

We use hazardous chemicals and radioactive and biological materials in our business. Any claims relating to improper handling, storage or disposal of these materials could be time consuming and costly. Our business operations involve the controlled use of hazardous materials, chemicals, recombinant biological molecules, biohazards (infectious agents) and various radioactive compounds. Although we believe that our safety procedures for using and disposing of such materials meets the standards set by state and federal regulations, the risk of accidental contamination or injury from these materials cannot be completely eliminated. If such an accident occurs, we could be held responsible for any damages that result and any such liability could exceed our financial resources. We do not currently have insurance against any such liability.

Some of our existing stockholders can exert control over us, and may not make decisions that are in the best interests of all stockholders. Based on filings made with the Securities and Exchange Commission, as of the date of this prospectus, our principal stockholders (stockholders holding more than 5% of our common stock) will together control approximately 39.7% of our outstanding common stock. As a result, these stockholders, acting together, could have a significant influence over anything that requires stockholder approval, including the election of directors and approval of significant corporate transactions. In addition, this concentration of ownership may delay or prevent a change in control of our company, even when a change may be in the best interests of our stockholders. In addition, the interests of these stockholders may not always be the same as the interests of other stockholders. These stockholders could cause us to enter into transactions or agreements that you would not approve.

If we are unable to adequately protect our proprietary technologies, third parties may be able to use these technologies, which could adversely affect our ability to compete in the market. We are conducting research into a potential technology that may result in new pharmaceutical products. This technology is in early stages of development. It is highly speculative due to the substantial risks and considerable uncertainties associated with its development, which include but are not limited to the following:

- The development of our technology may not yield products which work or are better than other products. As a result, these products may have little commercial value. Other companies that have substantially greater research, development and marketing resources may develop competing products that would prevent our products from selling in the marketplace.
- We must secure and defend patent and other intellectual property rights to the technologies, and avoid infringing the intellectual property rights of third parties. The patent positions of biotechnology companies are uncertain and involve difficult legal and factual questions. We cannot guarantee that we will develop intellectual property rights that are protectable or that the protection afforded will be enough to protect the commercial value of our technologies. In addition, our patent rights may be challenged, invalidated, infringed or circumvented.
- Commercialization of any products resulting from our research generally will require government approvals and be subject to extensive government regulation. In the case of human pharmaceutical products, the approval of the United States Food and Drug Administration requires extensive pre-clinical and clinical trials involving considerable costs and uncertainties. If we do not receive government approvals, we would be unable to commercialize products based on our research and development programs.

[Table of Contents](#)

- Because we do not have and likely will not have the resources we need to develop products beyond the initial research stage, we may have to license marketable technologies resulting from our research to third parties for development into commercial products. As a result, we may surrender control over the development and marketing processes and will have to rely on the efforts and resources of third parties.

Our stock price may be extremely volatile, and you may not be able to resell your shares at or above your purchase price.The market price of our common stock has been, and is likely to remain, highly unstable. Our operating results may also be below the expectations of market analysts and investors. This would likely negatively affect the current market price of our common stock. Further, the stock market has experienced extreme price and volume fluctuations that have affected the market prices of equity securities of many biotechnology companies. These price changes often have been unrelated or disproportionate to the operating performance of such companies. Market fluctuations, as well as general economic, political and market conditions such as recessions or international currency fluctuations, may adversely affect the market price of our common stock.

USE OF PROCEEDS

CBI will not receive any proceeds from the sale of the Common Stock by the selling stockholder to others. All sales proceeds will be received by the selling stockholder.

Table of Contents

SELLING STOCKHOLDERS

The shares of Common Stock to which this reoffer prospectus relates are being registered for reoffers and resales by the selling stockholder, who acquired the Common Stock pursuant to an option agreement with CBI.

The table below sets forth with respect to the selling stockholders, based upon information available to CBI as of December 20, 2002, the number of shares of CBI's common stock owned (including, where applicable, the Common Stock covered by this reoffer prospectus, CBI common stock not covered by this reoffer prospectus and options to purchase CBI common stock), the number of shares of Common Stock registered by this reoffer prospectus and the number and percent of outstanding shares of common stock that will be owned after the sale of the registered Common Stock assuming the sale of all of the registered Common Stock.

<u>Selling Stockholder</u>	<u>Number of Shares of Common Stock Owned Before Sale(1)</u>	<u>Number of Shares of Common Stock Registered by this Reoffer Prospectus(2)</u>	<u>Number of Shares of Common Stock Owned After Sale</u>	<u>Percentage of Shares of Common Stock Owned After Sale(1)</u>
Richard J. Freer, Ph.D.(3)	214,445(9)	11,029	203,416	7.8
Robert B. Harris, Ph.D.(4)	176,601(10)	5,515	171,086	6.6
Thomas R. Reynolds(5)	11,259(11)	5,515	5,744	
James H. Brennan(6)	69,264(12)	6,617	62,647	2.5
Samuel P. Sears, Jr.(7)	163,918(13)	11,029	152,889	6.2
Donald A. McAfee, Ph.D.(7)	21,029(14)	11,029	10,000	*
L. McCarthy Downs, III(7)	33,717(15)	11,029	22,688	*
Everette G. Allen, Jr.(8)	60,515(16)	5,515	55,000	2.2
Raymond A. Cypess(8)	15,515(17)	5,515	10,000	*

* Less than 1%.

- (1) Based on 2,433,780 shares of Common Stock outstanding as of January 6, 2003. Shares of Common Stock that a selling stockholder has a right to acquire within 60 days after January 6, 2003 pursuant to the exercise of options, warrants or other rights, including options granted under the Incentive Plan, are deemed to be outstanding for the purpose of computing the number and percentage of shares of Common Stock beneficially owned by such selling stockholder, but are not deemed to be outstanding for computing the percentage of ownership of any other selling stockholder.
- (2) Represents the maximum number of shares issued under the Incentive Plan that could be sold under this prospectus if the holder exercised all of his options when vested and sold the underlying shares. Does not constitute a commitment to sell any or all of the stated number of shares. The number of shares to be sold shall be determined from time to time by each selling stockholder in his discretion. Includes shares of common stock underlying vested and unvested options.
- (3) Chairman and a director of CBI.
- (4) President, Chief Executive Officer and a director of CBI.
- (5) Senior Vice President, Secretary and a director of CBI.
- (6) Controller of CBI.
- (7) A director of CBI.
- (8) A former director of CBI.
- (9) Represents 39,021 shares of Common Stock, 144,255 shares of Common Stock underlying options and 31,169 shares of Common Stock underlying warrants that are exercisable within 60 days after January 6, 2003.

Table of Contents

- (10) Represents 34,691 shares of Common Stock, 112,963 shares of Common Stock underlying options and 28,947 shares of Common Stock underlying warrants that are exercisable within 60 days after January 6, 2003.
- (11) Represents 17,642 shares of Common Stock, 80,459 shares of Common Stock underlying options and 13,158 shares of Common Stock underlying warrants that are exercisable within 60 days after January 6, 2003.
- (12) Represents 5,733 shares of Common Stock and 62,697 shares of Common Stock underlying options and 834 shares of Common Stock underlying warrants that are exercisable within 60 days after January 6, 2003.
- (13) Represents 115,111 shares of Common Stock and 21,029 shares of Common Stock underlying options and 27,778 shares of Common Stock underlying warrants that are exercisable within 60 days after January 6, 2003.
- (14) Represents 21,029 shares of Common Stock underlying options that are exercisable within 60 days after January 6, 2003.
- (15) Represents 10,000 shares of Common Stock, 11,029 shares of Common Stock underlying warrants that are exercisable within 60 days of January 6, 2003.
- (16) Represents 45,515 shares of Common Stock and 15,000 shares of Common Stock underlying options that are exercisable within 60 days of January 6, 2003.
- (17) Represents 15,515 shares of Common Stock underlying options that are exercisable within 60 days of January 6, 2003.

PLAN OF DISTRIBUTION

The selling stockholders and any of their pledgees, donees, assignees, transferees, may sell any or all of the shares of Common Stock for value from time to time under this reoffer prospectus in one or more transactions on the Nasdaq Stock Market or any stock exchange, market or trading facility on which the Common Stock is traded, in a negotiated transaction or in a combination of such methods of sale, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices otherwise negotiated. The selling stockholders will act independently of the Company in making decisions with respect to the timing, manner and size of each sale. The selling stockholders may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- underwritten offerings;
- agreements by the broker-dealer and the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted by applicable law.

Table of Contents

The selling stockholders may also sell shares under Rule 144 under the Securities Act, if available, under Section 4(1) of the Securities Act or directly to CBI in certain circumstances rather than under this reoffer prospectus.

Unless otherwise prohibited, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions in connection with distributions of the shares or otherwise. In such transactions, broker-dealers or financial institutions may engage in short sales of the shares in the course of hedging the position they assume with the selling stockholder. The selling stockholders may also engage in short sales, puts and calls, forward-exchange contracts, collars and other transactions in our securities or derivatives of our securities and may sell or deliver shares in connection with these trades. If the selling stockholders sell shares short, they may redeliver the shares to close out such short positions. The selling stockholders may also enter into option or other transactions with broker-dealers or financial institutions which require the delivery to the broker-dealer or the financial institution of the shares. The broker-dealer or financial institution may then resell or otherwise transfer such shares pursuant to this reoffer prospectus. In addition, the selling stockholders may loan their shares to broker-dealers or financial institutions who are counterparties to hedging transactions and the broker-dealers, financial institutions or counterparties may sell the borrowed shares into the public market. The selling stockholders may also pledge their shares to their brokers or financial institutions and under the margin loan the broker or financial institution may, from time to time, offer and sell the pledged shares. The selling stockholders have advised us that they have not entered into any agreements, understandings or arrangements with any underwriters, broker-dealers or financial institutions regarding the sale of their shares other than ordinary course brokerage arrangements, nor is there an underwriter or coordinating broker acting in connection with the proposed sale of shares by any of the selling stockholders.

The selling stockholders and any broker-dealers that participate in the distribution of the Common Stock may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act, and any commissions received by them and any profit on the resale of the Common Stock sold by them may be deemed to be underwriting discounts and commissions under the Securities Act. All selling and other expenses incurred by the selling stockholders will be borne by the selling stockholders.

There is no assurance that the selling stockholders will sell all or any portion of their shares of Common Stock offered.

CBI will pay all expenses in connection with this offering and will not receive any proceeds from sales of any Common Stock by the selling stockholders.

EXPERTS

The consolidated financial statements and schedule of Commonwealth Biotechnologies, Inc. appearing in Commonwealth Biotechnologies, Inc.'s Annual Report (Form 10-KSB) for the year ended December 31, 2001, have been audited by McGladrey & Pullen, LLP, independent auditors, as set forth in their report (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the Company's ability to continue as a going concern) thereon included therein and incorporated herein by reference. Such consolidated financial statements and schedule are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

LEGAL MATTERS

Certain legal matters with respect to the validity of the shares of Common Stock offered hereby have been passed upon by Kaufman & Canoles, P.C., Richmond, Virginia, counsel to CBI.

WHERE YOU CAN FIND MORE INFORMATION

We file annual and quarterly reports, proxy statements and other information required by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with the Securities and Exchange Commission (the "SEC"). You may read and copy any document which CBI files at the SEC's public reference rooms located at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. CBI's SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>. Additional information about CBI may also be obtained at CBI's web site at <http://www.cbi-biotech.com>. CBI has filed with the SEC a registration statement on Form S-8 (the "Registration Statement") under the Securities Act with respect to the Common Stock. This reoffer prospectus, which constitutes a part of that Registration Statement, does not contain all the information contained in that Registration Statement and its exhibits. For further information with respect to CBI and the Common Stock, you should consult the Registration Statement and its exhibits. Statements contained in this reoffer prospectus concerning the provisions of any documents are necessarily summaries of those documents, and each statement is qualified in its entirety by reference to the copy of the document filed with the SEC. The Registration Statement and any of its amendments, including exhibits filed as a part of the Registration Statement or an amendment to the Registration Statement, are available for inspection and copying through the entities listed above.

INCORPORATED DOCUMENTS BY REFERENCE

The SEC allows CBI to "incorporate by reference" the information that we file with them, which means that we can disclose important information to you by referring you to the other information we have filed with the SEC. The information that we incorporate by reference is considered to be part of this reoffer prospectus, and information that we file later with the SEC will automatically update and supersede this information.

The following documents filed by us with the SEC pursuant to Section 13 of the Exchange Act (File No. 001-13467) and any future filings under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act made before the termination of the offering are incorporated by reference:

- (1) CBI's Annual Report on Form 10-KSB/A for the fiscal year ended December 31, 2001, filed with the SEC on April 2, 2002 and the exhibits therein;
- (2) CBI's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2001, filed with the SEC on April 1, 2002 and the exhibits therein;
- (3) CBI's Quarterly Report on Form 10-QSB for the fiscal quarter ended March 31, 2002, filed with the SEC on May 14, 2002 and the exhibits therein;
- (4) CBI's Quarterly Report on Form 10-QSB for the fiscal quarter ended June 30, 2002, filed with the SEC on August 13, 2002 and the exhibits therein;
- (5) CBI's Quarterly Report on Form 10-QSB for the fiscal quarter ended September 30, 2002 and the exhibits therein;

Table of Contents

(6) CBI's Current Reports on Form 8-K, filed with the SEC on April 24, 2002 (as amended on June 5, 2002 and November 1, 2002), September 16, 2002, September 26, 2002, October 21, 2002 and November 22, 2002; and

(7) The description of the shares of common stock, without par value per share, contained in the Registrant's registration statement on Form 8-A filed with the Commission on October 7, 1997 (File Number 001-13467) pursuant to Section 12(g) of the Exchange Act, which incorporates by reference the description of the shares of common stock, without par value per share, contained in the registration statement on Form SB-2 (File Number 333-31731) filed by the Registrant on July 21, 1997 and declared effective by the Commission on October 17, 1997, and any amendment or report filed with the Commission for purposes of updating such description.

All documents that we have filed with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this reoffer prospectus and prior to the completion of the offering shall be deemed to be incorporated by reference into this reoffer prospectus and to be part of this reoffer prospectus from the date of filing of these documents. CBI will provide without charge to each person, including any beneficial owner, to whom a copy of this reoffer prospectus is delivered a copy of any or all documents incorporated by reference into this reoffer prospectus except the exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents. You may request copies by writing or telephoning Thomas R. Reynolds, Secretary, Commonwealth Biotechnologies, Inc., 601 Biotech Drive, Richmond, Virginia 23235; telephone number (804) 648-3820.

INDEMNIFICATION

Our Articles of Incorporation, as amended to date, provide for us to indemnify our directors and officers to the fullest extent authorized by Virginia law. This indemnification would cover all expenses and liabilities reasonably incurred in connection with their services for or on behalf of us. In addition, our Articles of Incorporation provide that our directors will not be personally liable for monetary damages to us of breaches of their fiduciary duty as directors, unless they violated their duty of loyalty to us or our stockholders, acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper personal benefit from their action as directors.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling CBI pursuant to the foregoing provisions, CBI has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

PART II. INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3 Incorporation of Documents by Reference

The following documents filed with the Commission by CBI are incorporated herein by reference as of the dates thereof:

- (1) CBI's Annual Report on Form 10-KSB/A for the fiscal year ended December 31, 2001, filed with the SEC on April 2, 2002 and the exhibits therein;
- (2) CBI's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2001, filed with the SEC on April 1, 2002 and the exhibits therein;
- (3) CBI's Quarterly Report on Form 10-QSB for the fiscal quarter ended March 31, 2002, filed with the SEC on May 14, 2002 and the exhibits therein;
- (4) CBI's Quarterly Report on Form 10-QSB for the fiscal quarter ended June 30, 2002, filed with the SEC on August 13, 2002 and the exhibits therein;
- (5) CBI's Quarterly Report on Form 10-QSB for the fiscal quarter ended September 30, 2002 and the exhibits therein;
- (6) CBI's Current Reports on Form 8-K, filed with the SEC on April 24, 2002 (as amended on June 5, 2002 and November 1, 2002), September 16, 2002, September 26, 2002, October 21, 2002 and November 22, 2002; and
- (7) The description of the shares of common stock, without par value per share, contained in the Registrant's registration statement on Form 8-A filed with the Commission on October 7, 1997 (File Number 001-13467) pursuant to Section 12(g) of the Exchange Act, which incorporates by reference the description of the shares of common stock, without par value per share, contained in the registration statement on Form SB-2 (File Number 333-31731) filed by the Registrant on July 21, 1997 and declared effective by the Commission on October 17, 1997, and any amendment or report filed with the Commission for purposes of updating such description.

All reports and other documents subsequently filed by CBI pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of the filing of such reports and documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein (or in any other subsequently filed document which also is incorporated or deemed to be incorporated by reference herein) modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4 Description of Securities

Not applicable.

[Table of Contents](#)

Item 5 Interests of Named Experts and Counsel

Not applicable.

Item 6 Indemnification of Directors and Officers

In accordance with Virginia law, Article VI of CBI's Articles of Incorporation provides as follows: The Corporation shall indemnify (a) any person who was, is or may become a party to any proceeding, including a proceeding brought by a shareholder in the right of the Corporation or brought by or on behalf of the shareholders of the Corporation, by reason of the fact that he is or was a director or officer of the Corporation, or (b) any director or officer who is or was serving at the request of the Corporation as a director, trustee, partner or officer of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability incurred by him in connection with such proceeding unless he engaged in willful misconduct or a knowing violation of criminal law. A person is considered to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on, or otherwise involve securities by, him to the plan or to participants in or beneficiaries of the plan. The Board of Directors is hereby empowered, by a majority vote of a quorum of disinterested Directors, to enter into a contract to indemnify any Director or officer in respect of any proceedings arising from any act or omission, whether occurring before or after the execution of such contract.

Item 7 Exemption from Registration Claimed

Not applicable.

Item 8 Exhibits

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
4.1	Articles of Incorporation of Commonwealth Biotechnologies, Inc. (1)
4.2	Bylaws of Commonwealth Biotechnologies, Inc. (1)
4.3	Form of Common Stock Certificate (1)
5.1	Opinion of Kaufman & Canoles, P.C. (2)
23.1	Consent of Kaufman & Canoles, P.C. (included in Exhibit 5.1)
23.2	Consent of McGladrey & Pullen, LLP (2)
24.1	Powers of Attorney (included in Part II of this Registration Statement)
99.1	Commonwealth Biotechnologies, Inc. 2002 Stock Incentive Plan (2)

- (1) Incorporated by reference to CBI's Registration Statement on Form SB-2, Registration No. 333-31731.
(2) Filed herewith.

Item 9 Undertakings

(a) The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

Table of Contents

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in the volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or the high end of the maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 462(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any additional or changed material information on the plan of distribution.

Notwithstanding the foregoing, however, the undertakings included in paragraphs (a)(1)(i) and (a)(1)(ii) of this Item do not apply if the information required in a post-effective amendment is incorporated by reference from periodic reports filed by CBI under the Exchange Act.

(2) That, for the purpose of determining any liability under the Securities Act, treat each post-effective amendment as a new registration statement of the securities offered, and the offering of the securities at that time to be the initial bona fide offering.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the end of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, CBI certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Post-Effective Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Richmond, Commonwealth of Virginia on January 6, 2003.

COMMONWEALTH BIOTECHNOLOGIES, INC.

/s/ Robert B. Harris

Robert B. Harris, Ph.D.
President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Robert B. Harris, Ph.D. and Richard J. Freer, Ph.D. his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments and amendments thereto) and any new Registration Statement relating to the same offering as this Registration Statement that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as each might or could do in person hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

<u>Name</u>	<u>Title</u>	<u>Date</u>
/s/ Richard J. Freer Richard J. Freer, Ph.D.	Chairman of the Board and Director (Principal Executive Officer)	January 6, 2003
/s/ Robert B. Harris Robert B. Harris	President and Director	January 6, 2003
/s/ Thomas R. Reynolds Thomas R. Reynolds	Senior Vice President, Secretary and Director	January 6, 2003

[Table of Contents](#)

<hr/> <p>/s/ James H. Brennan</p> <hr/> <p>James H. Brennan</p>	Controller (Principal Financial and Accounting Officer)	January 6, 2003
<hr/> <p>/s/ L. McCarthy Downs, III</p> <hr/> <p>L. McCarthy Downs, III</p>	Director	January 6, 2003
<hr/> <p>/s/ Samuel P. Sears, Jr.</p> <hr/> <p>Samuel P. Sears, Jr.</p>	Director	January 6, 2003
<hr/> <p>/s/ Donald A. McAfee</p> <hr/> <p>Donald A. McAfee, Ph.D.</p>	Director	January 6, 2003

[Table of Contents](#)

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(1) Incorporated by reference to CBI's Registration Statement on Form SB-2, Registration No. 333-31731.
(2) Filed herewith.

[LETTERHEAD OF KAUFMAN & CANOLES]

December 20, 2002

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Commonwealth Biotechnologies, Inc.
Registration Statement on Form S-8

Ladies and Gentlemen:

We are acting as counsel to Commonwealth Biotechnologies, Inc., a Virginia corporation (the "Company"), in connection with the registration under the Securities Act of 1933 (the "Act") of an aggregate of 300,000 shares of the Company's Common Stock, without par value per share (the "Shares"), pursuant to a Registration Statement on Form S-8 (the "Registration Statement"). We have examined and relied upon such records, documents and other instruments as in our judgment are necessary and appropriate in order to express the opinion hereinafter set forth, and have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to original documents of all documents submitted to us as certified or photostatic copies.

Based upon the foregoing, we are of the opinion that the Shares, when issued and delivered in the manner and on the terms described in the Registration Statement (after the Registration Statement is declared effective), will be duly authorized, validly issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and further consent to the reference to us under the caption "Legal Matters" in the prospectus included in the Registration Statement.

Very truly yours,

/s/ KAUFMAN & CANOLES, P.C.
Kaufman & Canoles, P.C.

INDEPENDENT AUDITOR'S CONSENT

We consent to the incorporation by reference in this Registration Statement of Commonwealth Biotechnologies, Inc. on Form S-8 of our report, dated February 8, 2002 (which includes an emphasis paragraph relating to an uncertainty as to the Company's ability to continue as a going concern) appearing in the 2001 Annual Report to Shareholders and incorporated by reference in the Annual Report on Form 10-KSB of Commonwealth Biotechnologies, Inc. for the year ended December 31, 2001. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus, which is part of this Registration Statement.

/s/ MCGLADREY & PULLEN, LLP
MCGLADREY & PULLEN, LLP

Richmond, Virginia
January 6, 2003

COMMONWEALTH BIOTECHNOLOGIES, INC.
2002 STOCK INCENTIVE PLAN

1. Purpose and Effective Date.

(a) The purpose of the Commonwealth Biotechnologies, Inc. 2002 Stock Incentive Plan (the "Plan") is to further the long term stability and financial success of Commonwealth Biotechnologies, Inc. (the "Company") by attracting and retaining personnel, including employees, directors and consultants, through the use of stock incentives. The Company believes that ownership of Company Stock will stimulate the efforts of those persons upon whose judgment, interest and efforts the Company is and will be largely dependent for the successful conduct of its business and will further the identification of those persons' interests with the interests of the Company's shareholders.

(b) The Plan was adopted by the Board of Directors of the Company on March 27, 2002, and shall become effective as of March 27, 2002, subject to the approval of the Plan by the Company's shareholders.

2. Definitions.

(a) Act. The Securities Exchange Act of 1934, as amended.

(b) Applicable Withholding Taxes. The aggregate amount of federal, state and local income and payroll taxes that the Company is required to withhold (based on the minimum applicable statutory withholding rates) in connection with any exercise of an Option or the award, lapse of restrictions or payment with respect to Restricted Stock.

(c) Award. The award of an Option or Restricted Stock under the Plan.

(d) Board. The Board of Directors of the Company.

(e) Cause. Dishonesty, fraud, misconduct, gross incompetence, gross negligence, breach of a material fiduciary duty, material breach of an agreement with the Company, unauthorized use or disclosure of confidential information or trade secrets, or conviction or confession of a crime punishable by law (except minor violations), in each case as determined by the Committee, which determination shall be binding.

(f) Change of Control.

(i) The Acquisition by any Person (as defined below) of beneficial ownership of 50% or more of the then outstanding shares of common stock of the Company;

(ii) Individuals who constitute the Board on the effective date of this Plan (the "Incumbent Board") cease to constitute a majority of the Board, provided that any director whose nomination was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board will be considered a member of the Incumbent Board, but excluding any such individual whose initial assumption of office is in connection with an

actual or threatened election contest relating to the election of the directors of the Company (as such terms are used in Rule 14a-11 promulgated under the Act);

(iii) Approval by the shareholders of the Company of a reorganization, merger, share exchange or consolidation (a "Reorganization"), provided that shareholder approval of a Reorganization will not constitute a Change of Control if, upon consummation of the Reorganization, each of the following conditions is satisfied:

(x) no Person beneficially owns 20% or more of either (1) the then outstanding shares of common stock of the corporation resulting from the transaction or (2) the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors; and

(y) at least a majority of the members of the board of directors of the corporation resulting from the Reorganization were members of the Incumbent Board at the time of the execution of the initial agreement providing for the Reorganization.

(iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, or of the sale or other disposition of all or substantially all of the assets of the Company.

(v) For purposes of this Section 2(f), "Person" means any individual, entity or group (within the meaning of Section 13(d)(3) of the Act), other than any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliated company, and "beneficial ownership" has the meaning given the term in Rule 13d-3 under the Act.

(vi) Neither the sale of Company Stock in an initial public offering nor any restructuring of the Company or its Board in contemplation of or as a result of an initial public offering shall constitute a Change of Control for purposes of this Plan.

(g) Code. The Internal Revenue Code of 1986, as amended.

(h) Committee. The Committee appointed to administer the Plan pursuant to Plan Section 15, or if no such Committee has been appointed, the Board.

(i) Company. Commonwealth Biotechnologies, Inc., a Virginia corporation.

(j) Company Stock. The common stock, without par value per share, of the Company. If the par value of the Company Stock is changed, or in the event of a change in the capital structure of the Company (as provided in Section 12 below), the shares resulting from such a change shall be deemed to be Company Stock within the meaning of the Plan.

(k) Consultant. A person or entity rendering services to the Company who is not an "employee" for purposes of employment tax withholding under the Code.

(l) Date of Grant. The effective date of an Award granted by the Committee.

(m) Disability or Disabled. As to an Incentive Stock Option a Disability within the meaning of Code Section 22(e)(3). As to all other Incentive Awards, the Committee shall determine whether a Disability exists and such determination shall be conclusive.

(n) Fair Market Value.

(i) If the Company Stock is listed on any established stock exchange or quoted on the NASDAQ stock market system, its Fair Market Value shall be the closing price for such Stock on the Date of Grant as reported by such exchange or the NASDAQ stock market system, or, if there are no trades on such date, the value shall be determined as of the last preceding day on which the Company Stock was traded.

(ii) If the Company Stock is not publicly traded, the Fair Market Value shall be determined by the Committee using any reasonable method in good faith.

(iii) Fair Market Value shall be determined as of the Date of Grant specified in the Award.

(o) Incentive Stock Option. An Option intended to meet the requirements of, and qualify for favorable federal income tax treatment under, Code Section 422.

(p) Nonstatutory Stock Option. An Option that does not meet the requirements of Code Section 422, or that is otherwise not intended to be an Incentive Stock Option and is so designated.

(q) Option. A right to purchase Company Stock granted under the Plan, at a price determined in accordance with the Plan.

(r) Participant. Any individual who is granted an Award under the Plan.

(s) Restricted Stock. Company Stock awarded upon the terms and subject to the restrictions set forth in Section 8 below.

(t) Rule 16b-3. Rule 16b-3 promulgated under the Act, including any corresponding subsequent rule or any amendments to Rule 16b-3 enacted after the effective date of the Plan.

(u) 10% Shareholder. A person who owns, directly or indirectly, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any parent or subsidiary of the Company. Indirect ownership of stock shall be determined in accordance with Code Section 424(d).

3. General. Awards of Options or Restricted Stock may be granted under the Plan. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options.

4. Stock. Subject to Section 12 of the Plan, there shall be reserved for issuance under the Plan an aggregate of 300,000 shares of Company Stock, which may include authorized, but unissued, shares. Shares allocable to Options granted under the Plan that expire or otherwise terminate unexercised and shares that are forfeited pursuant to restrictions on Restricted Stock awarded under the Plan may again be subjected to an Award under this Plan. For purposes of determining the number of shares that are available for Awards under the Plan, such number shall include the number of shares surrendered by a Participant or retained by the Company (a) in connection with the exercise of an Option or (b) in payment of Applicable Withholding Taxes.

5. Eligibility.

(a) Any employee of, director of, or Consultant to the Company (including an employee of, director of, or consultant to an affiliate of the Company) who, in the judgment of the Committee, has contributed or can be expected to contribute to the profits or growth of the Company is eligible to become a Participant. The Committee shall have the power and complete discretion, as provided in Section 14, to select eligible Participants and to determine for each Participant the terms, conditions and nature of the Award and the number of shares to be allocated as part of the Award; provided, however, that any Award made to a member of the Committee must be approved by the Board. The Committee is expressly authorized to make an Award to a Participant conditioned on the surrender for cancellation of an existing Award.

(b) The grant of an Award shall not obligate the Company to pay an employee any particular amount of remuneration, to continue the employment of the employee after the grant or to make further grants to the employee at any time thereafter.

(c) Non-employee directors and Consultants shall not be eligible to receive the Award of an Incentive Stock Option.

(d) The maximum number of shares with respect to which an Award may be granted in any calendar year to any employee during such calendar year shall be 50,000 shares.

6. Stock Options.

(a) Whenever the Committee deems it appropriate to grant Options, notice shall be given to the Participant stating the number of shares for which Options are granted, the exercise price per share, whether the options are Incentive Stock Options or Nonstatutory Stock Options, and the conditions to which the grant and exercise of the Options are subject. This notice, when duly accepted in writing by the Participant, shall become a stock option agreement between the Company and the Participant.

(b) The Committee shall establish the exercise price of Options. The exercise price of an Incentive Stock Option shall be not less than 100% of the Fair Market Value of such shares on the Date of Grant, provided that if the Participant is a 10% Shareholder, the exercise price of an Incentive Stock Option shall not be less than 110% of the Fair Market Value of such shares on the Date of Grant. The exercise price of Nonstatutory Stock Option Awards intended to be performance-based for purposes of Code Section 162(m) shall not be less than 100% of the Fair Market Value of such shares on the Date of Grant.

(c) Subject to subsection (d) below, Options may be exercised in whole or in part at such times as may be specified by the Committee in the Participant's stock option agreement. The Committee may impose such vesting conditions and other requirements as the Committee deems appropriate, and the Committee may include such provisions regarding a Change of Control as the Committee deems appropriate.

(d) The Committee shall establish the term of each Option in the Participant's stock option agreement. The term of an Incentive Stock Option shall not be longer than ten years from the Date of Grant, except that an Incentive Stock Option granted to a 10% Shareholder shall not have a term in excess of five years. No Option may be exercised after the expiration of its term or, except as set forth in the Participant's stock option agreement, after the termination of the Participant's

employment. The Committee shall set forth in the Participant's stock option agreement when, and under what circumstances, an Option may be exercised after termination of the Participant's employment or period of service; provided that no Incentive Stock Option may be exercised after (i) three months from the Participant's termination of employment with the Company for reasons other than Disability or death, or (ii) one year from the Participant's termination of employment on account of Disability or death. The Committee may, in its sole discretion, amend a previously granted Incentive Stock Option to provide for more liberal exercise provisions, provided however that if the Incentive Stock Option as amended no longer meets the requirements of Code Section 422, and, as a result the Option no longer qualifies for favorable federal income tax treatment under Code Section 422, the amendment shall not become effective without the written consent of the Participant.

(e) An Incentive Stock Option, by its terms, shall be exercisable in any calendar year only to the extent that the aggregate Fair Market Value (determined at the Date of Grant) of the Company Stock with respect to which Incentive Stock Options are exercisable by the Participant for the first time during the calendar year does not exceed \$100,000 (the "Limitation Amount"). Incentive Stock Options granted under the Plan and all other plans of the Company and any parent or subsidiary of the Company shall be aggregated for purposes of determining whether the Limitation Amount has been exceeded. The Board may impose such conditions as it deems appropriate on an Incentive Stock Option to ensure that the foregoing requirement is met. If Incentive Stock Options that first become exercisable in a calendar year exceed the Limitation Amount, the excess Options will be treated as Nonstatutory Stock Options to the extent permitted by law.

(f) If a Participant dies and if the Participant's stock option agreement provides that part or all of the Option may be exercised after the Participant's death, then such portion may be exercised by the personal representative of the Participant's estate during the time period specified in the stock option agreement.

(g) If a Participant's employment or services is terminated by the Company for Cause, the Participant's Options shall terminate as of the date of the misconduct.

7. Method of Exercise of Options.

(a) Options may be exercised by giving written notice of the exercise to the Company, stating the number of shares the Participant has elected to purchase under the Option. Such notice shall be effective only if accompanied by the exercise price in full in cash; provided that, if the terms of an Option so permit, the Participant may (i) deliver Company Stock that the Participant has previously acquired and owned (valued at Fair Market Value on the date of exercise), or (ii) deliver a properly executed exercise notice together with irrevocable instructions to a broker to deliver promptly to the Company, from the sale or loan proceeds with respect to the sale of Company Stock or a loan secured by Company Stock, the amount necessary to pay the exercise price and, if required by the Committee, Applicable Withholding Taxes. Unless otherwise specifically provided in the Option, any payment of the exercise price paid by delivery of Company Stock acquired directly or indirectly from the Company shall be paid only with shares of Company Stock that have been held by the Participant for more than six months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes).

(b) The Company may place on any certificate representing Company Stock issued upon the exercise of an Option any legend deemed desirable by the Company's counsel to comply with federal or state securities laws. The Company may require of the Participant a customary indication

of his or her investment intent. A Participant shall not possess shareholder rights with respect to shares acquired upon the exercise of an Option until the Participant has made any required payment, including payment of Applicable Withholding Taxes, and the Company has issued a certificate for the shares of Company Stock acquired.

(c) Notwithstanding anything herein to the contrary, Awards shall always be granted and exercised in such a manner as to conform to the provisions of Rule 16b-3.

8. Restricted Stock Awards.

(a) Whenever the Committee deems it appropriate to grant a Restricted Stock Award, notice shall be given to the Participant stating the number of shares of Restricted Stock for which the Award is granted, the Date of Grant, and the terms and conditions to which the Award is subject. Certificates representing the shares shall be issued in the name of the Participant, subject to the restrictions imposed by the Plan and the Committee. A Restricted Stock Award may be made by the Committee in its discretion without cash consideration.

(b) The Committee may place such restrictions on the transferability and vesting of Restricted Stock as the Committee deems appropriate, including restrictions relating to continued employment and financial performance goals. Without limiting the foregoing, the Committee may provide performance or Change of Control acceleration parameters under which all, or a portion, of the Restricted Stock will vest on the Company's achievement of established performance objectives. Restricted Stock may not be sold, assigned, transferred, disposed of, pledged, hypothecated or otherwise encumbered until the restrictions on such shares shall have lapsed or shall have been removed pursuant to subsection (c) below.

(c) The Committee shall establish as to each Restricted Stock Award the terms and conditions upon which the restrictions on transferability set forth in paragraph (b) above shall lapse. Such terms and conditions may include, without limitation, the passage of time, the meeting of performance goals, the lapsing of such restrictions as a result of the Disability, death or retirement of the Participant, or the occurrence of a Change of Control.

(d) A Participant shall hold shares of Restricted Stock subject to the restrictions set forth in the Award agreement and in the Plan. In other respects, the Participant shall have all the rights of a shareholder with respect to the shares of Restricted Stock, including, but not limited to, the right to vote such shares and the right to receive all cash dividends and other distributions paid thereon. Certificates representing Restricted Stock shall bear a legend referring to the restrictions set forth in the Plan and the Participant's Award agreement. If stock dividends are declared on Restricted Stock, such stock dividends or other distributions shall be subject to the same restrictions as the underlying shares of Restricted Stock.

9. Applicable Withholding Taxes. Each Participant shall agree, as a condition of receiving an Award, to pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, all Applicable Withholding Taxes with respect to the Award. Until the Applicable Withholding Taxes have been paid or arrangements satisfactory to the Company have been made, no stock certificates (or, in the case of Restricted Stock, no stock certificates free of a restrictive legend) shall be issued to the Participant. As an alternative to making a cash payment to the Company to satisfy Applicable Withholding Tax obligations, the Committee may establish procedures permitting the Participant to elect to (a) deliver shares of already owned Company Stock or (b) have the Company retain that number of shares of Company Stock that would satisfy all or a specified portion

of the Applicable Withholding Taxes. Any such election shall be made only in accordance with procedures established by the Committee to avoid a charge to earnings for financial accounting purposes and in accordance with Rule 16b-3.

10. Nontransferability of Awards.

(a) In general, Awards, by their terms, shall not be transferable by the Participant except by will or by the laws of descent and distribution or except as described below. Options shall be exercisable, during the Participant's lifetime, only by the Participant or by his guardian or legal representative.

(b) Notwithstanding the provisions of (a) and subject to federal and state securities laws, the Committee may grant or amend Nonstatutory Stock Options that permit a Participant to transfer the Options to one or more immediate family members, to a trust for the benefit of immediate family members, or to a partnership, limited liability company, or other entity the only partners, members, or interest-holders of which are among the Participant's immediate family members. Consideration may not be paid for the transfer of Options. The transferee of an Option shall be subject to all conditions applicable to the Option prior to its transfer. The agreement granting the Option shall set forth the transfer conditions and restrictions. The Committee may impose on any transferable Option and on stock issued upon the exercise of an Option such limitations and conditions as the Committee deems appropriate.

11. Termination, Modification, Change. If not sooner terminated by the Board, this Plan shall terminate at the close of business on March 27, 2012. No Awards shall be made under the Plan after its termination. The Board may terminate the Plan or may amend the Plan in such respects as it shall deem advisable; provided, that, unless authorized by the Company's shareholders, no change shall be made that (a) increases the total number of shares of Company Stock reserved for issuance pursuant to Awards granted under the Plan (except pursuant to Section 12), (b) expands the class of persons eligible to receive Awards, (c) materially increases the benefits accruing to Participants under the Plan, or (d) otherwise requires shareholder approval under the Code, Rule 16b-3, or the rules of a domestic exchange on which Company Stock is traded. Notwithstanding the foregoing, the Board may unilaterally amend the Plan and Awards as it deems appropriate to ensure compliance with Rule 16b-3 and to cause Incentive Stock Options to meet the requirements of the Code and regulations thereunder. Except as provided in the preceding sentence, a termination or amendment of the Plan shall not, without the consent of the Participant, adversely affect a Participant's rights under an Award previously granted to him.

12. Change in Capital Structure.

(a) In the event of a stock dividend, stock split or combination of shares, spin-off, recapitalization or merger in which the Company is the surviving corporation, or other change in the Company's capital stock (including, but not limited to, the creation or issuance to shareholders generally of rights, options or warrants for the purchase of common stock or preferred stock of the Company), the number and kind of shares of stock or securities of the Company to be issued under the Plan (under outstanding Awards and Awards to be granted in the future), the exercise price of options, and other relevant provisions shall be appropriately adjusted by the Committee, whose determination shall be binding on all persons. If the adjustment would produce fractional shares with respect to any Award, the Committee may adjust appropriately the number of shares covered by the Award so as to eliminate the fractional shares.

(b) In the event the Company distributes to its shareholders a dividend, or sells or causes to be sold to a person other than the Company or a subsidiary shares of stock in any corporation (a "Spinoff Company") which, immediately before the distribution or sale, was a majority owned Subsidiary of the Company, the Committee shall have the power, in its sole discretion, to make such adjustments as the Committee deems appropriate. The Committee may make adjustments in the number and kind of shares or other securities to be issued under the Plan (under outstanding Awards and Awards to be granted in the future), the exercise price of Options, and other relevant provisions, and, without limiting the foregoing, may substitute securities of a Spinoff Company for securities of the Company. The Committee shall make such adjustments as it determines to be appropriate, considering the economic effect of the distribution or sale on the interests of the Company's shareholders and the Participants in the businesses operated by the Spinoff Company. The Committee's determination shall be binding on all persons. If the adjustment would produce fractional shares with respect to any Award, the Committee may adjust appropriately the number of shares covered by the Award so as to eliminate the fractional shares.

(c) Notwithstanding anything in the Plan to the contrary, the Committee may take the foregoing actions without the consent of any Participant, and the Committee's determination shall be conclusive and binding on all persons for all purposes. The Committee shall make its determinations consistent with Rule 16b-3 and the applicable provisions of the Code.

(d) To the extent required to avoid a charge to earnings for financial accounting purposes, adjustments made by the Committee pursuant to this Section 13 to outstanding Awards shall be made so that both (i) the aggregate intrinsic value of an Award immediately after the adjustment is not less than the Award's aggregate intrinsic value before the Award and (ii) the ratio of the exercise price per share to the market value per share is not reduced.

13. Change of Control. In the event of a Change of Control of the Company, the Committee may take such actions with respect to Awards as the Committee deems appropriate. These actions may include, but shall not be limited to the following:

(a) At the time the Award is made, provide for the acceleration of the vesting schedule relating to the exercise or realization of the Award so that the Award may be exercised or realized in full on or before a date initially fixed by the Committee.

(b) Provide for the purchase or settlement of any such Award by the Company for any amount of cash equal to the amount which could have been obtained upon the exercise of such Award or realization of a Participant's rights had such Award been currently exercisable or payable.

(c) Make adjustments to Awards then outstanding as the Committee deems appropriate to reflect such Change of Control provided, however, that to the extent required to avoid a charge to earnings for financial accounting purposes, such adjustments shall be made so that both (i) the aggregate intrinsic value of an Award immediately after the adjustment is not less than the Award's aggregate intrinsic value before the Award and (ii) the ratio of the exercise price per share to the market value per share is not reduced; or

(d) Cause any such Award then outstanding to be assumed, or new rights substituted therefore by the acquiring or surviving corporation in such Change of Control.

14. Administration of the Plan.

(a) The Plan shall be administered by the Committee, who shall be appointed by the Board. If no Committee is appointed, the Plan shall be administered by the Board. To the extent required by Rule 16b-3, all Awards shall be made by members of the Committee who are "Non-Employee Directors" as that term is defined in Rule 16b-3, or by the Board. Awards that are intended to be performance-based for purposes of Code section 162(m) shall be made by a Committee, or subcommittee of the Committee, comprised solely of two or more "outside directors" as that term is defined for purposes of Code section 162(m).

(b) The Committee shall have the authority to impose such limitations or conditions upon an Award as the Committee deems appropriate to achieve the objectives of the Award and the Plan. Without limiting the foregoing and in addition to the powers set forth elsewhere in the Plan, the Committee shall have the power and complete discretion to determine (i) which eligible persons shall receive an Award and the nature of the Award, (ii) the number of shares of Company Stock to be covered by each Award, (iii) whether Options shall be Incentive Stock Options or Nonstatutory Stock Options, (iv) the Fair Market Value of Company Stock, (v) the time or times when an Award shall be granted, (vi) whether an Award shall become vested over a period of time, according to a performance-based vesting schedule or otherwise, and when it shall be fully vested, (vii) the terms and conditions under which restrictions imposed upon an Award shall lapse, (viii) whether a Change of Control exists, (ix) factors relevant to the lapse of restrictions on Restricted Stock or Options, (x) when Options may be exercised, (xi) whether to approve a Participant's election with respect to Applicable Withholding Taxes, (xii) conditions relating to the length of time before disposition of Company Stock received in connection with an Award is permitted, (xiii) notice provisions relating to the sale of Company Stock acquired under the Plan, and (xiv) any additional requirements relating to Awards that the Committee deems appropriate. Notwithstanding the foregoing, no "tandem stock options" (where two stock options are issued together and the exercise of one option affects the right to exercise the other option) may be issued in connection with Incentive Stock Options.

(c) The Committee shall have the power to amend the terms of previously granted Awards so long as the terms as amended are consistent with the terms of the Plan and, where applicable, consistent with the qualification of an Option as an Incentive Stock Option. The consent of the Participant must be obtained with respect to any amendment that would adversely affect the Participant's rights under the Award, except that such consent shall not be required if such amendment is for the purpose of complying with Rule 16b-3 or any requirement of the Code applicable to the Award.

(d) The Committee may adopt rules and regulations for carrying out the Plan. The Committee shall have the express discretionary authority to construe and interpret the Plan and the Award agreements, to resolve any ambiguities, to define any terms, and to make any other determinations required by the Plan or an Award agreement. The interpretation and construction of any provisions of the Plan or an Award agreement by the Committee shall be final and conclusive. The Committee may consult with counsel, who may be counsel to the Company, and shall not incur any liability for any action taken in good faith in reliance upon the advice of counsel.

(e) A majority of the members of the Committee shall constitute a quorum, and all actions of the Committee shall be taken by a majority of the members present. Any action may be taken by a written instrument signed by all of the members, and any action so taken shall be fully effective as if it had been taken at a meeting.

15. Notice. All notices and other communications required or permitted to be given under this Plan shall be in writing and shall be deemed to have been duly given if delivered personally, electronically, or mailed first class, postage prepaid, as follows: (a) if to the Company—at its principal business address to the attention of the Secretary; (b) if to any Participant—at the last address of the Participant known to the sender at the time the notice or other communication is sent.

16. Interpretation and Governing Law. The terms of this Plan and Awards granted pursuant to the Plan shall be governed, construed and administered in accordance with the laws of the State of Virginia. The Plan and Awards are subject to all present and future applicable provisions of the Code and, to the extent applicable, they are subject to all present and future rulings of the Securities and Exchange Commission with respect to Rule 16b-3. If any provision of the Plan or an Award conflicts with any such Code provision or ruling, the Committee shall cause the Plan to be amended, and shall modify the Award, so as to comply, or if for any reason amendments cannot be made, that provision of the Plan or the Award shall be void and of no effect.

IN WITNESS WHEREOF, our Company has caused this Plan to be adopted this 27th day of March, 2002.

Commonwealth Biotechnologies, Inc.

By: /s/ Richard J. Freer, Ph.D.

Title: Chairman